

This Opinion is Not a  
Precedent of the TTAB

Mailed: December 9, 2021

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board  
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*Trusted Debit, LLC*

*v.*

*My Canna Pay*  
—

Cancellation No. 92073715  
—

Matthew S. Coombs, Justin P. Walsh and Ammon J. Ford of Gleam Law PLLC,  
for Trusted Debit, LLC.<sup>1</sup>

Jeremy Brown of My Canna Pay, LLC,  
for My Canna Pay.

Before Bergsman, Lykos, and English,  
Administrative Trademark Judges.

Opinion by Lykos, Administrative Trademark Judge:

On March 18, 2020, Trusted Debit, LLC (“Petitioner”) filed a petition to cancel My Canna Pay’s (“Respondent”) registration on the Principal Register for the MY CANNA PAY composite mark displayed below,

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<sup>1</sup> See Amended Appearance of Counsel dated December 31, 2020; 14 TTABVUE.

Citations to the record are to TTABVUE, the Board’s online docketing system, by entry and page number. See, e.g., *Turdin v. Trilobite, Ltd.*, 109 USPQ2d 1473, 1476 n.6 (TTAB 2014).



("canna pay" disclaimed) for the following services:

Payroll administration and management services; Payroll preparation; Payroll processing services; Business management consultation and services, namely, managing and administering non-core functions, namely, mailing and shipping, records management, information services, administration, payroll and accounting, and telemarketing services in International Class 35.<sup>2</sup>

The description of the mark is as follows:

The mark consists of 21 teal circles aligned in the shape of a larger sphere in which 12 of the individual circles are connected by teal lines. Immediately below these teal circles is a grey disc shape that looks like a shadow of the larger teal circle. Below the grey disc shape are the words "my canna pay" which are written in grey as well. The colors teal and grey are claimed as features of the mark.

As set forth in the Petition to Cancel, Petitioner asserts a claim of likelihood of confusion under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d),<sup>3</sup> based on Petitioner's previously registered mark displayed below,

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<sup>2</sup> Registration No. 5888221, registered October 22, 2019 from an application filed July 6, 2018 under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a). The registration claims June 18, 2018 as the date of first use anywhere and July 5, 2018 as the date of first use in commerce. The term "canna pay" was disclaimed during prosecution. See June 20, 2019 Examiner's Amendment.

<sup>3</sup> Petitioner's "claim" in the Petition to Cancel that the specimen submitted by Respondent during prosecution of its application failed to depict the mark used in commerce, (1 TTABVUE 13-14), was stricken by the Board. See Board Order Dated June 18, 2020, p. 2; 8 TTABVUE 2. As previously explained during the parties' discovery conference, the adequacy of specimens submitted during the prosecution of an application is solely a matter



for the following services:

Credit and cash card payment processing services; Electronic commerce payment services, namely, establishing funded accounts used to purchase goods and services on the Internet; Financial transaction services, namely, providing secure commercial transactions and payment options; Financial transaction services, namely, providing secure commercial transactions and payment options using a mobile device at a point of sale; Merchant services, namely, payment transaction processing services; Payment processing services, namely, credit card and debit card transaction processing services; Processing of debit card payments; Providing electronic processing of electronic funds transfer, ACH, credit card, debit card, electronic check and electronic payments; Providing electronic processing of ACH and credit card transactions and electronic payments via a global computer network in International Class 36.<sup>4</sup>

The description of Petitioner's pleaded registered mark is as follows:

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of ex parte examination and does not constitute a valid ground for cancelling a registration. *See id.* *See Granny's Submarine Sandwiches, Inc. v. Granny's Kitchen, Inc.*, 199 USPQ 564, 567 (TTAB 1978). We have therefore disregarded Petitioner's arguments regarding Respondent's specimen in Petitioner's trial brief. *See* Petitioner's Brief, p. 17; 19 TTABVue 20.

<sup>4</sup> Registration No. 5317789, registered October 24, 2017, from an application filed February 9, 2016 under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a). The registration claims August 21, 2016 as the date of first use anywhere and in commerce.

The mark consists of the word “CANPAY” with the letters “PAY” circumscribed with two incomplete circles. Color is not claimed as a feature of the mark.

Petitioner’s Section 2(d) claim is based in part on the following allegations:

- “Petitioner and Registrant are financial service companies providing financial, merchant, and consulting services to businesses in the Cannabis and hemp industries throughout the United States;”
- Both parties’ identified services “consist of business-to-business financial services relating to the particular difficulties that cannabis companies face in managing and transferring money;” and
- The financial services identified in both parties’ registrations are “specifically particularized to satisfy the regulatory requirements of emerging hemp and cannabis business regulations and limitations and are therefore highly related.”<sup>5</sup>

Petitioner also alleges that “[d]espite being a subject of great social and cultural fascination, the number of cannabis industry business owners in the United States remains a narrow and discrete group of target consumers;” and that “[b]ecause of the small number of potential consumers, it is highly likely that Petitioner and Registrant will solicit financial services to the same cannabis business owner consumers and that such an overlap is likely to cause confusion regarding their respective services.”<sup>6</sup>

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<sup>5</sup> Petition to Cancel, Para. Nos. 3, 18(c) and (d); 1 TTABVUE 4, 9-10.

<sup>6</sup> *Id.* at 19(e) and (f); 1 TTABVUE 11-12. Petitioner should note that none of the websites submitted with the Petition to Cancel were automatically made of record for trial purposes. *See* Trademark Rule 2.121(a), 37 C.F.R. § 2.121(a) (“The Trademark Trial and Appeal Board will issue a trial order setting a deadline for each party’s required pretrial disclosures and assigning to each party its time for taking testimony and presenting evidence (‘testimony period’). No testimony shall be taken or evidence presented except during the times assigned, unless by stipulation of the parties approved by the Board, or upon motion granted by the Board, or by order of the Board.”).

Respondent filed an answer denying the salient allegations of the Petition to Cancel.<sup>7</sup>

The case is briefed.<sup>8</sup> As plaintiff in this proceeding, Petitioner bears the burden of establishing its entitlement to a statutory cause of action and Section 2(d) claim by a preponderance of the evidence.

## **I. The Record**

The record includes the pleadings and, by operation of Trademark Rule 2.122, 37 C.F.R. § 2.122, the registration file for Respondent's mark.

### **A. Petitioner's Evidence**

Petitioner submitted the testimony declaration of its Chief Executive Officer, Dustin Eide ("Eide Declaration"), with the following exhibits:<sup>9</sup>

Exhibit 1: Printout from the USPTO's Trademark Status & Document Retrieval ("TSDR") database of Petitioner's pleaded Registration No. 5317789 showing current status and title;

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<sup>7</sup> 4 TTABVUE.

<sup>8</sup> With regard to an outstanding interlocutory issue, on November 6, 2020, the Board granted Petitioner's motion to strike inadvertently disclosed attorney-client privileged materials from the record, and ordered Respondent to "file a redacted, public version of its motion to compel which does not contain or quote the privileged emails... ." 11 TTABVUE 5. *See also* Board Order dated March 22, 2021 at 16 TTABVUE (noting Respondent's failure to comply in a timely manner and ordering Respondent to comply failing which sanctions may be entered). With its response filed April 12, 2021, Respondent has now complied with the Board's order. *See* 17 TTABVUE.

<sup>9</sup> 15 TTABVUE 57-98. Petitioner's submission of the testimony declaration under notice of reliance was improper. Board practice is to submit testimony declarations under separate cover. TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE ("TBMP") § 703.01(k) (2021) ("The submitting party should file the testimony affidavit or declaration with the Board under separate cover, rather than under notice of reliance."); *see Ricardo Media Inc. v. Inventive Software, LLC*, 2019 USPQ2d 311355, at \*2-3 (TTAB 2019) (opposer's submission of testimonial declaration under a notice of reliance was unnecessary, and not the preferred approach, but harmless).

Exhibit 2: Representative advertisements and order invoices showing sales under Petitioner's pleaded mark;

Exhibit 3: Map of over 700 dispensaries in 30 states using Petitioner's services;

Exhibit 4: Advertisements touting Petitioner's CEO as a speaker at a cannabis industry tradeshow;

Exhibit 5a: Marijuana Business Daily.  
<https://mjbizdaily.com/hawaii-bans-cash-medicalmarijuana-dispensary-sales/>, accessed on February 5, 2021;

Exhibit 5b: Forbes. <https://www.forbes.com/sites/debraborchardt/2016/11/17/1035/?sh=77685e283369>, accessed on February 5, 2021;

Exhibit 5c: PR Newswire. <https://www.pnewswire.com/news-releases/canpay-expandssecure-electronic-payment-services-to-115-dispensaries-across-the-east-coastscannabis-corridor-300701449.html>, accessed on February 5, 2021;

Exhibit 5d: New Cannabis Ventures.  
<https://www.newcannabisventures.com/12-keyquestions-to-ask-when-choosing-a-canna-banking-solution/>, accessed on February 5, 2021;

Exhibit 5e: Mobile Payments Today.  
<https://www.mobilepaymentstoday.com/news/canpayreaches-california-with-medical-marijuana-mobile-payments/>, accessed February 5, 2021.

Exhibit 5f: Finextra. <https://www.finextra.com/newsarticle/29790/canpay-aims-high-withweed-industrys-first-debit-payment-app/retail>, accessed February 5, 2021.

In addition, Petitioner submitted a notice of reliance on the following documents:<sup>10</sup>

Exhibit 1: A true and correct copy of Registrant's responses to Petitioner's Interrogatory Nos. 1 – 32;

Exhibit 2: Registrant's admissions in response to Petitioner's Request for Admission Nos. 1 – 36;

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<sup>10</sup> 15 TTABVUE 2-56.

Exhibit 3A: Mycannapay.com homepage,  
<https://www.mycannapay.com/>, accessed January 19, 2021;

Exhibit 3B: Mycannapay.com “About Us,”  
<https://www.mycannapay.com/about-us-1>, accessed January 19, 2021;

Exhibit 3C: Mycannapay.com “Our Services,”  
<https://www.mycannapay.com/ourservices>, accessed January 19, 2021;

Exhibit 3D: My Canna Pay Twitter Feed  
[https://twitter.com/mycannapay/with\\_replies](https://twitter.com/mycannapay/with_replies), accessed January 19, 2021;

Exhibit 3E: My Canna Pay Instagram Post,  
<https://www.instagram.com/p/BvxMKj-A71l/>, accessed January 19, 2021;

Exhibit 4A: canpaydebit.com homepage,  
<https://www.canpaydebit.com/>, accessed February 9, 2021;

Exhibit 4B: canpaydebit.com “About Us,”  
<https://www.canpaydebit.com/about-us/>, accessed February 9, 2021;

Exhibit 4C: canpaydebit.com “CanPay in the News”,  
<https://www.canpaydebit.com/about-us/pressmedia/>, accessed February 9, 2021.

Exhibit 5A: <https://www.paymentsource.com/news/111816-your-morning-briefing>, published November 18, 2016, accessed January 19, 2021;

Exhibit 5B:  
<https://www.finextra.com/newsarticle/29790/canpay-aims-high-with-weedindustrys-first-debit-payment-app/retail>, published November 17, 2016, accessed January 19, 2021;

Exhibit 5C: [https://www.kptv.com/news/new-app-helping-marijuana-dispensaries-gocashless/article\\_d455c8b8-2d28-5626-a124-2b1bb26e4794.html](https://www.kptv.com/news/new-app-helping-marijuana-dispensaries-gocashless/article_d455c8b8-2d28-5626-a124-2b1bb26e4794.html), published June 29, 2017, accessed January 21, 2021; and

Exhibit 5D:  
<https://www.bizjournals.com/orlando/news/2017/03/16/first->

debit-paymentapp-for-cannabis-facilities.html, published March 16, 2017, accessed January 21, 2021.

## **B. Respondent's Evidence**

Respondent took no testimony but submitted a notice of reliance on the following:<sup>11</sup>

Exhibit 1A: Google search engine results for definition of the word 'can' accessed April 22, 2021;

Exhibit 1B: Dictionary.com, definition of the word 'can,' <https://www.dictionary.com/browse/can>, accessed April 22, 2021;

Exhibit 1C: merriam-webster.com, definition of the word 'can,' <https://www.merriam-webster.com/dictionary/can>, accessed April 22, 2021;

Exhibit 2A: Google.com search engine results for synonyms of the word 'can,' accessed April 22, 2021;

Exhibit 2B: thesaurus.com, synonym of the word "can," <https://www.thesaurus.com/browse/can>, accessed April 22, 2021;

Exhibit 2C: merriam-webster.com synonym of the word 'can' <https://www.merriam-webster.com/thesaurus/can>, accessed April 22, 2021;

Exhibit 3A: Google search engine results for the word "canna;"

Exhibit 3B: dictionary.com, definition of the word "canna," <https://www.dictionary.com/browse/canna>, accessed April 22, 2021; and

Exhibit 3C: merriam-webster.com, definition of the word 'canna,' <https://www.merriam-webster.com/dictionary/canna>, accessed April 22, 2021.

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<sup>11</sup> 18 TTABVUE 2-27.

## II. Entitlement to a Statutory Cause of Action

As a threshold issue, Petitioner must prove entitlement to a statutory cause of action.<sup>12</sup> *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014), *cert. denied*, 135 S. Ct. 1401 (2015). According to Section 14 of the Trademark Act, 15 U.S.C. § 1064:

A petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed as follows by any person who believes that he is or will be damaged, ... by the registration of a mark on the principal register established by this chapter, or under the Act of March 3, 1881, or the Act of February 20, 1905.

To establish entitlement to a statutory cause of action under Section 14 of the Trademark Act, Petitioner must demonstrate a real interest in the proceeding and a reasonable belief of damage. *Australian Therapeutic Supplies Pty. Ltd. v. Naked TM, LLC*, 965 F.3d 1370, 2020 USPQ2d 10837 at \*3 (Fed. Cir. 2020); *see also Empresa*, 111 USPQ2d 1162; *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1727 (Fed. Cir. 2012); *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999). A “real interest” is a “direct and personal stake” in the outcome of the proceeding. *Ritchie v. Simpson*, 50 USPQ2d at 1026.

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<sup>12</sup> Our decisions have previously analyzed the requirements of Sections 13 and 14 of the Trademark Act, 15 U.S.C. §§ 1063-64, under the rubric of “standing.” Mindful of the Supreme Court’s direction in *Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 125-26 (2014), we now refer to this inquiry as entitlement to a statutory cause of action. Despite the change in nomenclature, our prior decisions and those of the Federal Circuit interpreting Sections 13 and 14 remain equally applicable.

The record includes a printout of Petitioner's pleaded Registration No. 5317789 from the USPTO's TSDR database showing current status and title.<sup>13</sup> See Trademark Rule 2.122(d)(1), 37 C.F.R. § 2.122(d)(1). Thus, Petitioner has demonstrated that it possesses a real interest in this proceeding beyond that of a mere intermeddler, and a reasonable basis for its belief of damage. See *Ritchie v. Simpson*, 50 USPQ2d at 1026; see also *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). We find, therefore, that Petitioner has proven its entitlement to bring the instant cancellation proceeding.

### **III. Section 2(d) Claim**

We turn now to the substantive claim before us. To prevail on a likelihood of confusion claim brought under Trademark Act Section 2(d), a party must first prove that it owns "a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States ... and not abandoned ...." Trademark Act Section 2(d), 15 U.S.C. § 1052(d). Trademark Act Section 2(d), 15 U.S.C. § 1052(d); see also *Cunningham v. Laser Golf Corp.*, 55 USPQ2d at 1848; *Otto Roth & Co., Inc. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40, 43 (CCPA 1981); *Life Zone Inc. v. Middleman Grp. Inc.*, 87 USPQ2d 1953, 1959 (TTAB 2008).

#### **A. Priority**

Our first task is to determine Respondent's relevant date of first use of its mark

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<sup>13</sup> See Eide Declaration, Ex. 1; 15 TTABVUE 63-64.

in commerce in connection with the relevant services since Petitioner, in order to prevail on its Section 2(d) claim, will have to demonstrate priority before that date. Under Section 7(c) of the Trademark Act, 15 U.S.C. § 1057(c), a party may rely upon the filing date of the application underlying its registration for purposes of priority as its constructive use date. *See Cent. Garden & Pet Co. v. Dorskocil Mfg. Co.*, 108 USPQ2d 1134, 1140 (TTAB 2013); *Larami Corp. v. Talk to Me Programs, Inc.*, 36 USPQ2d 1840, 1844 (TTAB 1995) (parties may rely on the constructive use i.e. filing dates for purposes of priority). A party may, of course, rely on an earlier priority date based on common law rights; however, any such earlier priority date must be established by competent evidence. In this particular case, given the absence of any evidence of earlier use, we will rely on Respondent's constructive use date, i.e. the filing date of the underlying application: July 6, 2018.

As noted above, Petitioner pleaded ownership of and made of record a federal registration showing current status and title.<sup>14</sup> Petitioner may rely on the filing date of the underlying application as a constructive use date to prove priority. *Brewski Beer Co. v. Brewski Bros. Inc.*, 47 USPQ2d 1281, 1284 (TTAB 1998) (“petitioner or respondent may rely on its registration for the limited purpose of proving that its mark was in use as of the application filing date”). Petitioner's Registration No.

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<sup>14</sup> In addition, Petitioner's CEO testified that Petitioner has been using its registered CAN PAY mark for the services identified therein since February 22, 2016, and his testimony is corroborated by documentary evidence. Eide Declaration, Para. No. 4 and Exhibit 2; 15 TTABVUE 57, 68-85. Petitioner, however, failed to prior plead common law rights in its registered mark in the Petition to Cancel. Since Petitioner has established priority via the constructive use dates in the involved registrations, we need not reach the issue of whether Petitioner's asserted common law rights were tried by implied consent under Fed. R. Civ. P. 15(b).

5317789, registered from an application filed February 9, 2016 under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a). Indeed, Respondent admits “that it did not offer any goods or services under the MCP mark before February 9, 2016.”<sup>15</sup> As such, Petitioner has demonstrated priority.

## **B. Likelihood of Confusion**

Having established priority, we are left with the issue of likelihood of confusion. We base our determination under Section 2(d) on an analysis of all of the probative evidence of record bearing on a likelihood of confusion. *In re E.I. DuPont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973). *See also, In re Majestic Distilling Co.*, 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003). We must consider each *DuPont* factor for which there is evidence and argument. *See, e.g., In re Guild Mortg. Co.*, 912 F.3d 1376, 129 USPQ2d 1160, 1162-63 (Fed. Cir. 2019). In any likelihood of confusion analysis, however, two key considerations are the similarities between the marks and the similarities between the services. *See Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976). These factors and others are discussed below.

### **1. The Marks**

We first consider “the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression.” *Palm Bay Imps. Inc. v. Veuve Cliquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d

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<sup>15</sup> Request for Admission No. 3; 15 TTABVUE 17.

1689, 1691 (Fed. Cir. 2005) (quoting *DuPont*, 177 USPQ at 567). “Similarity in any one of these elements may be sufficient to find the marks confusingly similar.” *In re Inn at St. John’s, LLC*, 126 USPQ2d 1742, 1746 (TTAB 2018), *aff’d mem.*, 777 F. App’x (Fed. Cir. 2019). (citation omitted). *Accord Krim-Ko Corp. v. Coca-Cola Bottling Co.*, 390 F.2d 728, 156 USPQ 523, 526 (CCPA 1968) (“It is sufficient if the similarity in either form, spelling or sound alone is likely to cause confusion.”) (citation omitted).

“The proper test is not a side-by-side comparison of the marks, but instead ‘whether the marks are sufficiently similar in terms of their commercial impression’ such that persons who encounter the marks would be likely to assume a connection between the parties.” *Coach Servs.*, 101 USPQ2d at 1721. Because the similarity or dissimilarity of the marks is determined based on the marks in their entireties, the analysis cannot be predicated on dissecting the marks into their various components; that is, the decision must be based on the entire marks, not just part of the marks. *Stone Lion Capital Partners, LP v. Lion Capital LLP*, 746 F.3d 1317, 110 USPQ2d 1157, 1161 (Fed. Cir. 2014); *In re Nat’l Data Corp.*, 753 F.2d 1056, 224 USPQ 749, 751 (Fed. Cir. 1985). *See also Franklin Mint Corp. v. Master Mfg. Co.*, 667 F.2d 1005, 212 USPQ 233, 234 (CCPA 1981) (“It is axiomatic that a mark should not be dissected and considered piecemeal; rather, it must be considered as a whole in determining likelihood of confusion”). “On the other hand, in articulating reasons for reaching a conclusion on the issue of confusion, there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark, provided the ultimate conclusion rests on consideration of the marks in their entireties. Indeed, this type of analysis appears to be unavoidable.” *In re Nat’l Data*

*Corp.*, 224 USPQ at 751.

In this particular case, both parties' marks are composite marks. The comparison of composite marks must be done on a case-by-case basis, without reliance on mechanical rules of construction. *See, e.g., Spice Islands, Inc. v. Frank Tea & Spice Co.*, 505 F.2d 1293, 184 USPQ 35 (CCPA 1974) (reversing Board's determination that SPICE TREE with tree design, for garlic powder and minced onion, and SPICE ISLANDS with and without tree design, for seasoning herbs and spices, is not likely to cause confusion). However, in general, when a mark consists of a literal portion and a design portion, the literal portion is usually more likely to be impressed upon a purchaser's memory and to be used in calling for the goods or services; therefore, the literal portion is normally accorded greater weight in determining whether marks are confusingly similar. *See, e.g., In re Viterra, Inc.*, 671 F.3d 1358, 101 USPQ2d 1905, 1911 (Fed. Cir. 2012); *In re Dakin's Miniatures, Inc.*, 59 USPQ2d 1593, 1596 (TTAB 1999). *See also CBS Inc. v. Morrow*, 708 F.2d 1579, 1581-82, 218 USPQ 198, 200 (Fed. Cir. 1983); *In re Kysela Pere et Fils, Ltd.*, 98 USPQ2d 1261, 1267-68 (TTAB 2011).

With these principles in mind, we now turn to a comparison of the parties' marks:



Petitioner, focusing on the literal elements, argues that its registered "CanPay" mark is incorporated in its entirety by Respondent's "My Canna Pay" mark.

Petitioner contends that the words “Can” and “Canna” are likely to create a similar commercial impression because each party’s target consumers are cannabis businesses which are likely to recognize both terms as a shorthand for “cannabis.” While acknowledging the inclusion of the word “My” in Respondent’s mark, Petitioner contends that this distinction is unlikely to differentiate the similar meanings and commercial impressions that each mark engenders.

Respondent counters that the marks are dissimilar because the words “can” and “canna” project different meanings and commercial impressions. Respondent relies on dictionary evidence from multiple sources demonstrating that, by way of example, “can” is defined as “be physically or mentally able to”<sup>16</sup> while “canna” is defined as “any genus of (*Canna* of the family Cannaceae) of tropical herbs with simple stems, large leaves, and a terminal raceme of irregular flowers.”<sup>17</sup>

While acknowledging the differences in connotation and commercial impression, we find that the marks they are highly similar in sound and appearance. Each mark contains either the word “can” or “canna” prior to the word “pay” making the pronunciation highly similar in sound. “Can” and “canna” begin with the same letter string of “C-A-N.” In terms of literal elements, the sole distinction is slight, with the addition of the possessive pronoun “my” to the beginning of Respondent’s mark. While the marks are pronounced differently, the distinction, because it occurs in the

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<sup>16</sup> Respondent’s Notice of Reliance, Exhibit 1C (definition of “can” as used as an auxiliary verb from Merriam-Webster, [www.merriam-webster.com](http://www.merriam-webster.com)); 18 TTABVUE 10.

<sup>17</sup> Respondent’s Notice of Reliance, Exhibit 3C (definition of “canna” from Merriam-Webster, [www.merriam-webster.com](http://www.merriam-webster.com)); 18 TTABVUE 21.

middle of the mark, is slight. Consumers do not focus on minutia but rather overall impressions. *See In re John Scarne Games, Inc.*, 120 USPQ 315, 315-16 (TTAB 1959) (“Purchasers of game boards do not engage in trademark syllable counting — they are governed by general impressions made by appearance or sound, or both.”). *See also Alfacell v. Anticancer Inc.*, 71 USPQ2d 1301, 1305 (TTAB 2004) (ONCASE v. ONCONASE: “As seen and spoken, this middle portion may be missed by many of the relevant purchasers.”); *Mag Instr. Inc. v. Brinkmann Corp.*, 96 USPQ2d 1701, 1714-15 (TTAB 2010) (difference of a single letter does not suffice to distinguish MAG STAR from MAXSTAR); *Kabushiki Kaisha Tokeiten v. Scutto*, 228 USPQ 461, 462 (TTAB 1985) (“[T]he term ‘SEYCOS’ is simply so close in appearance and pronunciation to ‘SEIKO’ as to make source confusion inevitable when the marks are used in connection with identical goods.”).

Furthermore, the designs in each mark fail to significantly alter the similarity. The circular design surrounding the word “pay” in Opposer’s mark functions more as a carrier highlighting the word. *See In re Hughes Furniture Indus., Inc.*, 114 USPQ2d 1134, 1138 (TTAB 2015) (“common design elements (consisting of a rectangle enclosing the literal elements and two horizontal lines) fails to mitigate the similar sound, appearance, and connotation of the marks.”). To the extent that this serves to emphasize the word “pay” in Opposer’s mark, this enhances the similarities between the two marks since Respondent’s mark also ends with the word “pay.” In addition, as a common geometric shape, the circular design lacks strong source-identifying characteristics. *See id.* As to Respondent’s mark, the teal sphere, while possessing

relatively stronger source-identifying traits, is unlikely to be referred to by consumers in calling for the services.

Thus, we find that Respondent's and Petitioner's marks, considered as a whole, while perhaps different in meaning and connotation to consumers are highly similar in appearance and sound. And as noted above, similarity in any one of these elements may suffice to find the marks confusingly similar. *In re Inn at St. John's*, 126 USPQ2d at 1746. As such, we find that the first *DuPont* factor weighs in favor of finding a likelihood of confusion.

## **2. The Services**

We turn now to the second *DuPont* factor, a comparison of the services as they are recited in each registration. *See DuPont*, 177 USPQ at 567 (“[t]he similarity or dissimilarity and nature of the goods or services as described in an application or registration”). *See also Stone Lion*, 110 USPQ2d at 1162; *Octocom Sys. Inc. v. Houston Computer Servs. Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990). The services need not be identical or even competitive to find a likelihood of confusion. *On-line Careline Inc. v. Am. Online Inc.*, 229 F.3d 1080, 56 USPQ2d 1471, 1475 (Fed. Cir. 2000); *Recot, Inc. v. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1898 (Fed. Cir. 2000). They need only be “related in some manner and/or if the circumstances surrounding their marketing are such that they could give rise to the mistaken belief that [the services] emanate from the same source.” *Coach Servs.*, 101 USPQ2d at 1722 (quoting *7-Eleven Inc. v. Wechsler*, 83 USPQ2d 1715, 1724 (TTAB 2007)). Conversely, if the services in question are not related or marketed in such a way that they would be encountered by the same persons in situations that would create the incorrect

assumption that they originate from the same source, then, even if the marks are identical, confusion is not likely. *See, e.g., Shen Mfg. Co. v. Ritz Hotel Ltd.*, 393 F.3d 1238, 73 USPQ2d 1350, 1356 (Fed. Cir. 2004) (reversing Board’s holding that contemporaneous use of RITZ for cooking and wine selection classes and RITZ for kitchen textiles is likely to cause confusion, because the relatedness of the respective goods and services was not supported by substantial evidence).

Petitioner argues that its payment processing and Respondent’s payroll processing are “highly related” because “[e]ach service is provided to businesses rather than consumers, involves payment processing in some manner and is targeted at cannabis businesses.”<sup>18</sup> Petitioner points to the unique challenges facing the retail cannabis dispensary industry, notably the fact that larger banks operating across state lines refuse to process electronic payments for the sale of cannabis products due to the fact that such sales remain illegal under federal law. Petitioner also argues that the services are in part identical, pointing to Respondent’s website touting My Canna Pay as “a premier ... banking solution provider” and that “[t]hese banking services will include a debit card, [and] debit card processing for purchases made in your store(s),” and Respondent’s Twitter and Instagram accounts advertising the provision of “banking services and credit card processing provider specializing in servicing clients in the Cannabis Industry” and “debit card processing.”<sup>19</sup>

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<sup>18</sup> Petitioner’s Brief, p. 15; 19 TTABVUE 18.

<sup>19</sup> *Id.* *See e.g.*, Petitioner’s Notice of Reliance, Exhibit 3B at 15 TTABVUE 26 (excerpt from my.cannapay.com website stating “My Canna Pay is a premier payroll, benefits and banking solution provider, specifically designed to serve company owners in the cannabis industry.”) and Exhibit 3C at 15 TTABVUE 28 (excerpt from my.cannapay.com website stating “We are able to provide FDIC Insured Banking Services to our cannabis company owners who partner

Here, the question of likelihood of confusion is determined based on the description of the services stated in the registrations at issue, not on extrinsic evidence of actual use. *See, e.g., Coach Servs., Inc.*, 101 USPQ2d at 1722; *Octocom*, 16 USPQ2d at 1787. Respondent may in fact be providing debit card processing and ACH debit services; however, these services are not identified in Respondent's registration. For this reason, we cannot find that Petitioner's and Respondent's services are identical in part. To find otherwise would be going outside the scope of the identification.

Furthermore, while the record does show that both Petitioner and Respondent target their services to cannabis providers legally authorized to operate under state law, this fact alone does not make the services per se related. Again, the language of the identifications in Petitioner's and Respondent's registrations controls.

This leaves us to look elsewhere in the record for evidence of relatedness such as news articles or evidence from computer databases showing that the relevant services are used together or used by the same purchasers; advertisements showing that the relevant services are advertised together or sold by the same manufacturer or dealer; or copies of prior use-based registrations of the same mark for services identified in both Petitioner's and Respondent's registrations. *See Hewlett-Packard Co. v. Packard Press Inc.*, 281 F.3d 1261, 62 USPQ2d 1001, 1005 (Fed. Cir. 2002) (evidence that consumers encounter one mark designating a single source for the services of both

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with us. ... These banking services will include a debit card, debit card processing for purchases in your store(s), ACH transfers, ....").

parties supports a finding that the services are related); *see also In re Detroit Athletic Co.*, 903 F.3d 1297, 128 USPQ2d 1047, 1051 (Fed. Cir. 2018) (relatedness supported by evidence that third parties sell both types of goods under same mark, showing that “consumers are accustomed to seeing a single mark associated with a source that sells both.”); *In re Davia*, 110 USPQ2d 1810, 1817 (TTAB 2014) (finding pepper sauce and agave related where evidence showed both were used for the same purpose in the same recipes and thus consumers were likely to purchase the products at the same time and in the same stores).

In this regard, the record falls short. The only piece of evidence showing the provision of at least one service identified in the involved registrations is by Respondent.<sup>20</sup> Other than Respondent, the record is devoid of evidence that other unrelated third-parties provide any of the services identified in both Petitioner’s and Respondent’s registrations. Thus, on this record, we cannot find that the services are related. This *DuPont* factor weighs against finding a likelihood of confusion.

### **3. The Similarity or Dissimilarity of Established, Likely to Continue Trade Channels**

Lastly, we consider the third *DuPont* factor the similarity or dissimilarity of established, likely to continue trade channels and classes of consumers. We look to how the trade channels are delineated, if at all, in the involved registrations. *See Stone Lion*, 110 USPQ2d at 1161; *see also Octocom*, 16 USPQ2d at 1787.

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<sup>20</sup> *See id.*

Petitioner contends that the record is “crystal clear in demonstrating that trade channels and class of purchasers of the Petitioner and the Registrant are identical,” noting that both parties target retail cannabis business owners and advertise at cannabis trade shows and publications.<sup>21</sup> However, registrations with “no restriction on trade channels” cannot be “narrowed by testimony that the [registrant’s] use is, in fact, restricted to a particular class of purchasers.” *Stone Lion*, 110 USPQ2d at 1162. This is so “regardless of what the record may reveal as to the particular nature of [a party’s services], the particular channels of trade or the class of purchasers to which sales of the [services] are directed.” *Id.* Here, there are no limitations as to channels of trade or classes of purchasers in the identification of services in either Petitioner’s or Respondent’s registration. It therefore is presumed that the identified services move in all channels of trade normal for those services, and that they are available to all usual classes of purchasers for those services. *See Canadian Imperial Bank of Commerce v. Wells Fargo Bank*, 811 F.2d 1490, 1 USPQ2d 1813, 1815 (Fed. Cir. 1987); *Toys “R” Us, Inc. v. Lamps R Us*, 219 USPQ 340, 343 (TTAB 1983). Given the myriad of laws among the states regulating the sale of cannabis, we cannot assume, as Petitioner urges, that the “normal” trade channels and classes of consumers include cannabis dispensaries and cannabis business owners. Petitioner failed to introduce any evidence regarding the typical trade channels and classes of consumers of the involved services.

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<sup>21</sup> Petitioner’s Brief, p. 16; 19 TTABVUE 19. *See* Petitioner’s Notice of Reliance Exhibit 1, 15 TTABVUE 10-11 (Respondent’s responses to Petitioner’s First Set of Interrogatory Nos. 10 and 13) and Eide Declaration, Para. Nos. 8-9 and Exhibits 4 and 5, 15 TTABVUE 58, 86-98.

Thus, due to the lack of relevant evidence, the third *DuPont* factor disfavors a likelihood of confusion. Had each involved registration been limited to cannabis business owners, we would have been able to find otherwise.

**B. Balancing the *DuPont* Likelihood of Confusion Factors**

We have carefully considered all evidence of record and arguments as they pertain to the *DuPont* factors. As noted above, the first factor weighs in favor of finding a likelihood of confusion; however, the second and the third factors weigh against making this finding. For these reasons, on this record, we find no likelihood of confusion.

Accordingly, while Petitioner proved its entitlement to a statutory cause of action under Section 14 and priority by a preponderance of the evidence, it failed to prove the second critical element of its Section 2(d) claim, likelihood of confusion.

**Decision:** The petition to cancel is dismissed.